

LONG TERM CARE PLAN

The Long Term Care (LTC) Plan provides benefits for specific types of medical care and assistance not covered by the medical plan. Long term care refers to a wide range of personal care, health care, and social services for people who suffer a chronic disease or long-lasting disability. This type of care is referred to as “custodial care” and provides help with normal activities of daily living such as bathing, eating or dressing. Services can take place in a nursing care facility, an assisted living facility, an adult day care center, or at home. Enrollment in the Long Term Care Plan is optional.

WHO IS ELIGIBLE FOR THE LONG TERM CARE PLAN?

Active Employees

All regular employees who work at least 20 hours per week are eligible to apply for the LTC Plan on the first day of active employment.

Eligible Dependents

The spouse, same-sex domestic partner, parents, parents-in-law, grandparents, grandparents-in-law, surviving spouses, and adult children age 18 and older of an employee are eligible to apply for this plan.

Retirees

All employees who retire and their spouses or same-sex domestic partners are eligible to apply for this plan.

APPLYING FOR COVERAGE

Employees may apply for LTC Plan coverage within 31 days of their date of hire. Eligible dependents may apply at the same time as the employee but must submit evidence of insurability and be approved by Prudential before coverage can become effective. If an employee applies more than 31 days after his or her date of hire or if a retiree or eligible dependent applies for coverage, he or she must submit evidence of insurability and be approved by Prudential before coverage can become effective.

If an employee is disabled and away from work on the date coverage would otherwise become effective, the effective date will be delayed until the first of the month following the date the employee returns to work as an active employee.

LONG TERM CARE PLAN COVERAGE

Benefits Provided

If a participant suffers a Loss of Functional Capacity and a Benefit Period commences while he or she is a participant, the LTC Plan will provide a benefit for each day of the Loss of Functional Capacity after the applicable Waiting Period. The benefit will be based on the Daily Benefit Amount and the place of confinement.

Benefit Eligibility Criteria

In order to receive benefits, you must first be assessed by an assessor and be confirmed as having a Chronic Illness or Disability. A Chronic Illness or Disability is one in which there is:

- 1) A loss of the ability to perform, without substantial assistance, at least two Activities of Daily Living. This loss must be expected to continue for 90 days. Activities of Daily Living are bathing, continence, dressing, eating, toileting and transferring. Or
- 2) A severe cognitive impairment which requires substantial supervision to protect you from threats to health or safety.

Preexisting Conditions Limitation

There is no preexisting conditions limitation.

Lifetime Maximum Benefit

A participant may elect either a 3 or 5 year maximum benefit.

EXCLUSIONS

The following charges are not covered:

- 1) Work-connected Conditions Charge. A charge covered by a workers' compensation law, occupational disease law or similar law.
- 2) Government Plan Charge: A charge for a service or supply:
 - a) furnished by or for the United States government or any other government, unless payment of the charge is required by law. Or
 - b) to the extent that the service or supply, or any benefit for the charge, is provided by any law or governmental plan under which the patient is or could be covered. This (b) does not apply to a state plan under Medicaid or to any law or plan when, by law, its benefits are excess to those of any private insurance program or other non-governmental program. When this (b) applies to Medicare, the benefits provided by Medicare will be deemed to include any amount that would have been payable by Medicare in the absence of a deductible or coinsurance requirement under that program.
- 3) War, Felony, Riot or Insurrection. Charges for a condition due to war or any act of war while you are insured or due to your participation in an act of felony, riot or insurrection. "War" means declared or undeclared war and includes resistance to armed aggression. "Riot" means a wild, violent, public disturbance of the peace.
- 4) Self-inflicted Injury or Suicide. Charges arising from intentionally self-inflicted injury or attempted suicide.
- 5) Services and Supplies Outside the United States. Charges for services or supplies outside of the United States and its possessions.
- 6) Treatment for Chronic Alcoholism or Chemical Dependency. Charges in connection with the treatment of chronic alcoholism or chemical dependency.

CLAIMS

How to File a Claim

To file a claim under the LTC Plan, you must complete a LTC Claim Form which is available through Prudential. The completed claim form must be submitted to Prudential within 90 days of the date of the Loss of Functional Capacity.

Questions About Claims

If you have a question about your LTC claim, you should contact Prudential at 1-800-732-0416.

How to Appeal a Claim

If your claim is denied, you have the right to appeal the decision made about your claim. The explanation of benefits notice will explain the procedure you should follow if you choose to appeal a claim decision.

Prudential will send you a written acknowledgement of your appeal. If no additional information is required and the appeal is denied, the acknowledgement will include a detailed explanation of the reasons for the denial. If additional information is required, Prudential will explain what information is needed. Upon receipt and review of the additional information, Prudential will notify you in writing of the results of the review.

If you still disagree with the appeal decision, you can request in writing within 60 days of the decision that the matter be submitted to the claim appeal committee. This committee includes, but is not limited to, clinical consultants, legal consultants and product management staff. After a thorough review, the committee will send you a written notification of its decision.

EMPLOYEE PREMIUMS

When participating in the LTC Plan, employees have the option of after-tax payroll deductions or being billed directly from Prudential.

ELIGIBLE DEPENDENT PREMIUMS

Coverage for eligible spouses must be paid for through the employee's payroll deductions or billed directly from Prudential. Coverage for all other eligible dependents will be billed directly from Prudential.

RETIREE PREMIUMS

Retirees and spouses of retirees and same-sex domestic partners of retirees will be billed directly from Prudential.

RETURN OF PREMIUMS

If a participant who is enrolled in the plan dies while covered under the plan, a refund or partial refund of premiums may be provided.

WAIVER OF PREMIUMS

A participant's LTC Plan premiums will be waived if he or she has satisfied the Waiting Period and is receiving plan benefits. Premiums will again be required when the Benefit Period ends.

MISCELLANEOUS

Benefit Period

A Benefit Period is the period of days of a covered Loss of Functional Capacity beginning on the first day of the loss and ending 90 consecutive days after which the participant has not had a Loss of Functional Capacity. It does not include any day prior to the participant's effective date of coverage.

Changes in the Amount of LTC Coverage

Every three years you will be offered the opportunity to increase your benefits to keep up with

inflation. If you accept the offer, the amount of the additional benefit shall be the difference between your existing benefits and those benefits compounded annually at a rate of five percent for the period beginning with the purchase of your existing benefits and extending until the year in which the offer is made. Benefits will be rounded to the nearest dollar.

Your age on the effective date of the increase will be used to determine the additional separate premium for the increased coverage. Therefore, your premium will increase each time you accept an inflation protection offer.

You do not have to provide evidence of insurability to take inflation increases. However, if you decline the previous two offerings made to you, and then want to increase coverage, you will be required to submit satisfactory evidence of insurability the next time you accept an offer.

Daily Benefit Amount

The Daily Benefit Amount for a Nursing Care Facility is \$100, \$150, \$200 or \$250 and is based on the participant's coverage election.

The home health care Daily Benefit Amount is 75% of the Daily Benefit Amount the participant elected for a Nursing Care Facility.

General Information

Information regarding the plan identification number, plan year, plan funding, type of plan, plan sponsor, plan administrator, agent for legal process, your rights under ERISA, prudent actions by plan fiduciaries, and modification, suspension, or termination of the plan can be found in the General Information section of this booklet.

Home Care Unit

A Home Care Unit is any unit, including a private home, that does not qualify as a Nursing Care Facility or Hospital.

Hospital

A Hospital is a short-term duly licensed, acute general hospital which meets certain requirements as indicated in the Prudential Insurance Certificate.

Leave of Absence

If you are on an approved Leave of Absence, you may continue your LTC coverage during the term of the approved leave by written request and payment of the required premium to Prudential within 30 days of the starting date of your leave.

Loss of Functional Capacity

For tax-qualified Long Term Care contracts, federal law (HIPAA) establishes a definition of a Chronically Ill individual as any individual certified by a licensed health care practitioner as:

- Being unable to perform (without substantial assistance from another person) at least two Activities of Daily Living (ADL) for at least 90 days, or
- Requiring Substantial Supervision to protect the individual from harm due to severe cognitive impairment.

As a result, there are two separate benefit triggers — ADL deficiency or severe cognitive impairment.

Generally, Prudential measures severe cognitive impairment in accordance with IRS Notice 97-31:

“Severe cognitive impairment means a loss or deterioration in intellectual capacity that is:

- Comparable to (and includes) Alzheimer’s disease and similar forms of irreversible dementia, and
- Measured by clinical evidence and standardized tests that reliably measure impairment in the individual’s:
 - Short-term or long-term memory,
 - Orientation as to people, places, or time, and
 - Deductive or abstract reasoning.

Substantial Supervision means continual supervision (which may include cuing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect the severely cognitively impaired individual from threats to his or her health or safety (such as may result from wandering).”

Nursing Care Facility

A Nursing Care Facility is an institution, or distinct part of one, which is duly licensed and meets certain requirements as indicated in the Prudential Insurance Certificate.

Termination of Coverage

LTC Plan coverage will cease on the day you decease, are no longer eligible for coverage, or fail to pay the required premiums.

Waiting Period

The Waiting Period is 60 days. Benefits will not be paid from the date of a Loss of Functional Capacity through the Waiting Period. The Waiting Period will not include days prior to plan participation.

CONTINUATION COVERAGE

If a participant’s coverage ceases due to ineligibility, coverage may be continued by written request and payment of the required premium to Prudential within 60 days of the date coverage ceased. For additional information on continuation coverage, contact Prudential at 1-800-732-0416.